

Entered March 2, 1984
JEP

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 8074
Order No. R-7450

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION TO CONSIDER AMENDMENTS TO RULE 111
RELATING TO DEVIATION TESTS AND DIRECTIONAL DRILLING.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on February 16, 1984, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 2nd day of March, 1984, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the Oil Conservation Division, hereinafter referred to as the "Division", proposes to amend its general Rule 111 to provide for administrative approval for directional drilling for topographic reasons.
- (3) That to avoid human habitation or topographic obstructions, operators must from time-to-time, drill holes from unorthodox surface locations directionally to orthodox bottomhole locations or to unorthodox bottomhole locations which have otherwise been approved.
- (4) That an administrative procedure for approval to directionally drill wells under such conditions can simplify the permitting process and speed the drilling of such wells.
- (5) That any such administrative process should provide for orthodox bottomhole locations or for a target area with a radius not greater than 50 feet, certified or registered notice

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to offset operators, a period for the filing of objections, and an opportunity for the Division Director to set such matter for public hearing.

(6) That Division Rule 111(b) should be amended to read in its entirety as shown on Exhibit "A" attached to this order.

(7) That new paragraphs (c), (d), (e), (f), and (g) should be added to said Rule 111, all as shown on said Exhibit "A".

(8) That the proposed amendment of said paragraph (b) and the adoption of said paragraphs (c) through (g) will not result in waste or violation of correlative rights and should be approved.

IT IS THEREFORE ORDERED:

(1) That Division Rule 111(b) is hereby amended to read in its entirety as shown on Exhibit "A" attached to this order.

(2) That new paragraphs (c), (d), (e), (f), and (g) are hereby adopted and added to said Rule 111, all as shown on said Exhibit "A".

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JIM BACA, Member



ED KELLEY, Member



JOE D. RAMEY, Chairman and Secretary

S E A L

RULE 111. DEVIATION TESTS AND DIRECTIONAL DRILLING

(b) Except as provided in Paragraph (c) below, no well shall be intentionally deviated without special permission from the Division. Permission to deviate toward the vertical to straighten a crooked hole, to deviate toward the vertical or in an indeterminate direction to sidetrack junk in the hole, or to drill a relief well to control a blow-out shall be obtained from the appropriate District Office of the Division on Division Form C-103 with copies of said Form C-103 being furnished to all offset operators. Upon request from the Division Director, any well which was deviated in an indeterminate direction or toward the vertical shall be directionally surveyed. In addition, a directional survey of the entire well bore must be made on any well which was deviated in a predetermined direction, except toward the vertical. The District Office of the Division shall be notified of the approximate time all directional surveys are to be conducted. All directional surveys run on any well which was intentionally deviated in any manner for any reason must be filed with the Division upon completion of the well. The Division will not assign an allowable to a well until the operator has submitted an affidavit that all such directional surveys have been filed.

(c) The Division Director shall have the authority to grant administrative approval to intentionally deviate a well from vertical when: (1) the surface location is not a satisfactory drillsite due to topographic conditions or other surface obstructions, and, (2) the bottomhole location is orthodox or an unorthodox location previously approved.

(d) Applications for administrative approval shall be filed in triplicate and shall be accompanied by plats showing both the surface location and targeted bottomhole location. The application shall state the reason(s) for deviating the subject well and include a site map and/or topography map illustrating the surface obstruction. The bottomhole location obtained will be considered reasonable and satisfactory if the actual location at total depth is orthodox or is no more than 50 feet from the approved bottomhole location.

(e) All operators of proration or spacing units offsetting the unit for which the permit to deviate is sought shall be notified of the application by certified or registered mail, and the application shall state that such notification has been given. The Division Director may approve the

EXHIBIT "A"
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application upon receipt of waivers from all offset operators or if no offset operator has entered an objection within 20 days after the Director has received the application.

(f) The Division Director may, at his discretion, set any application for administrative approval for directional drilling for public hearing.

(g) Permission to deviate a well in any manner or for any other reason not provided for in these rules will be granted only after notice and hearing.

EXHIBIT "A"
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